GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

STARRED QUESTION NO:313
ANSWERED ON:17.08.2006
GROWTH IN FREIGHT TRAFFIC
Adhalrao Patil Shri Shivaji;Verma Shri Ravi Prakash

Will the Minister of RAILWAYS be pleased to state:

(a) The projected share freight of the Railways for the Tenth Five Year Plan and achievements made so far;

(b) Whether the Railways have been continuously losing its freight market share for the past few years;

(c) If so, the reasons therefor; and

(d) The steps taken by the Railways to improve growth rate of freight traffic?

Answer

MINISTER OF RAILWAYS (SHRI LALU PRASAD)

(a) to (d) A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 313 BY SHRI ADHALRAO PATIL SHIVAJIRAO & SHRI RAVI PRAKASH VERMA TO BE ANSWERED IN LOK SABHA ON 17.08.2006 REGARDING GROWTH IN FREIGHT TRAFFIC.

(a) to (d) Sir, Railways have surpassed the originating freight loading target of 624 million tonnes and freight net tonne kilometres target of 396 billions set for the terminal year (2006-07) of the 10th Plan in the penultimate year of the plan i.e., 2005-06 itself. The originating freight loading target for 2006-07 is set 726 million tonnes which is 16% higher than the original 10th Plan target. For the second consecutive year railways have increased their market share with a growth rate higher than the growth rate of the economy. However, in the absence of any reliable data for the freight traffic (goods) carried by Road sector, which is railways main competitor, it shall not be possible to make a fair assessment of railway's market share in the total freight traffic. The performance of the railways in the 10th Plan so far has been as under:

Year	Originating freight traffic (in million tonnes)	% variation over last year	Freight Net tonne kilometers (in billions)	% variation over last year
2001-02	492.50	-	333.23	-
2002-03	518.74	5.33	353.19	5.9
2003-04	557.39	7.45	381.24	7.94
2004-05	602.78	8.14	407.39	6.85
2005-06@	667.39	10.72	441.00	8.25
Tenth Plan target 2002-07	624.00	exceeded	396.00	exceeded

@- provisional

However, the Rail Co-efficient of some of the major commodities carried by the rail during the Tenth Plan period so far is as follows:

Year	Coal	Cement	Iron & Steel	Fertilizer %	POL %
2002-03	70.01	39.75	34.99	75.84	30.85
2003-04	70.75	40.12	35.22	73.78	26.19
2004-05	71.94	40.87	35.28	74.32	24.88
2005-06(P)	73.28	41.34	36.86	74.34	25.75
Apr-Jun 2005-06(P)	78.79	41.29	32.96	74.11	26.21
Apr-Jun 2006-07(P)	79.26	47.55	40.24	80.58	24.57

P- Provisional ,
POL- Petroleum, Oil & Lubricants

Note:1. Rail Co-efficient of coal, cement and iron & steel − Railway loading expressed as percentage of total production.

2. % Rail Co-efficients of fertilizers and POL- Railway Loading expressed as percentage of total production plus imports.

Earlier, the Railways were having monopoly in freight traffic and most of the goods irrespective of suitability of mode of transportation were carried by railways. With the passage of time, as various other modes have developed, they started sharing in the freight traffic as different types of logistic services came up for carrying specific goods. Railways being a bulk carrier can not provide door to door service and handling small piecemeal traffic is difficult for railways vis a vis road sector.

In order to improve growth rate of freight traffic Indian Railways have introduced various schemes such as Freight Forwarder Scheme, Traditional Empty Flow Direction Freight Discount Scheme, Loyalty Discount Scheme, Long-term Special Incentive Scheme, Mini Rake, 2-point rake scheme, New Parcel Policy, Refrigerated Parcel Vans, Wagon Investment Scheme (WIS), Development of Rail-Side Warehousing Complexes through Public Private Partnership (RWCs) and Liberalization of siding rules.